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NEWS RELEASE

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Court Imposes Judgments on New York Securities Brokers

Court orders three brokers to pay \$28,850 in fines and \$55,104.62 in restitution ...

SALT LAKE CITY, Utah – Judgments have been entered against three stockbrokers who worked for New York broker-dealer R.D. White & Co., Inc. for defrauding Utah customers. The broker-dealer has since gone out of business.

- Selamawit Asres, of Los Angeles, CA, consented to an injunction entered July 12, 2007 in which she was ordered to pay a fine of \$5,850. She agreed to be barred from the securities industry.
- Frank Joseph Santoli, of Port Washington, NY, had judgment entered by default on August 13, 2007. He was enjoined from any further violations of the law and ordered to pay \$41,379.62 in restitution to customers and a \$14,000 fine to the Division.
- James Cicalese, of Stirling, NJ, had judgment entered by default on August 14, 2007. He was enjoined and ordered to disgorge \$13,725 in improper commissions and pay a fine of \$9,000.

The judgments are in a lawsuit filed by the Division of Securities in 2000 against the securities broker-dealer, R.D. White & Co., and 20 brokers and officers of R.D. White. The state's lawsuit alleged that the defendants engaged in improper practices in the brokerage accounts of 23 Utah customers and defrauded them of monies deposited into the accounts. These accounts held millions in customer monies. The misconduct included:

- Excessive trading (rapid buying and selling of securities to generate commissions for the firm and its brokers). The trading was so frequent, some customers would have had to earn 38% annual returns on their investments just to break even;
- Four brokers were conducting securities transactions in Utah without being licensed; and
- Receiving excessive compensation for some transactions, including hidden compensation the brokers were receiving directly from companies whose stock they were selling.

With the three judgments announced today, the lawsuit is concluded against all parties. The Division expresses appreciation to the Utah Attorney General's Office for its assistance in prosecuting the lawsuit.